

The **PROCESS OF PRICING DISCOVERY**

A model for entrepreneurs to understand how consumer subjective value can impact their pricing strategy.



Consumers Set Prices

- ✓ Ultimate price
- ✓ Intermediate Prices (by deduction)
- ✓ This happens on a long-term time frame

Individual Transaction Prices Vary

- By context ✓
- By time ✓
- By circumstances ✓



Pricing Is A Dynamic & Creative Discovery Process

Utilize deep customer knowledge to design pricing experiments.



Experiment with different prices in different cases.



Vary prices for different customer segments.



Utilize discounts, promotions and special offers.



Offer different price or service packages.

The B2B Pricing Discovery Process Has Unique Features



Anticipate asymmetric negotiating partners.



Manage costs (e.g. channel management)



Reorganize for new bargaining power.



Vary your service and pricing packages.

Let Austrian Economics Guide Your Price Discovery Process.

Economics For Entrepreneurs is a project of the Mises Institute, to demonstrate how the application of economic principles helps entrepreneurs succeed.

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